New Unpaid Bills of Exchange Statistic (UBE)

INE

INSTITUTO NACIONAL DE ESTADISTICA

Methodological Note

General Services Statistic Subdirectorate
National Statistics Institute (INE)

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Index

1 Introductory note

The INE started to elaborate the Disputed Bills Statistic in 1938.

After many years and due to the increased use of cheques and bank notes, in 1983 the INE thought it appropriate to modify the statistic which was then called Disputed Bills. The information was obtained in the short term.

The approval in 1985 of the Exchange and Cheques Law made the disputing more flexible. It was not viable to use this statistic for analysis of the economic short term.

In order to achieve analogous information to that obtained in 1985, the Unpaid Bills of Exchange Statistic was designed. The first monography for this statistic referred to 1989.

A new modification in 1993 led to the unpaid bills of exchange statistic which has been published since 2001 (data referred to December 2002). As of 1995, the publication of annual data has been carried out in electronic publications.

During 2002 the INE carried out a major reform of the statistic which has made it possible to revise the series of provisional data since 2002 and investigate new variables of interest for users of this information.

The INE would like to thank the financial entities that have participated in the pilot test of the new statistic for their collaboration. as well as the unstinting support of our colleagues at the Bank of Spain without whom this reform would not have been possible.

2 Objectives

The objective of this statistic is to determine monthly the number and amount of commercial bills from credit entities, in portfolio and those received as client payment management, which have expired during the reference month; and from these, those which have been unpaid by analysing their evolution in chronological series. Broken down information is obtained on a provincial scale for different credit entities.

3 Scope of investigation

3.1 POPULATION SCOPE

The population scope studied is made up of the set of credit entities registered in the Official Credit Entities Register of the Bank of Spain, which has commercial bills in portfolio and those received as management of client payments.

They are classified into:

Banks

Savings banks

Credit Co-operatives

All those credit entities lacking commercial bills in portfolio and received as client payment management are therefore excluded.

The directory of these entities is updated annually with the variations produced in the Official Entities Credit Register of the Bank of Spain.

3.2 GEOGRAPHICAL SCOPE

This statistic covers the whole country.

3.3 TEMPORAL SCOPE

The statistic is monthly.

4 Variables investigated

The information requested has been linked to the questionnaire with circular 4/1991 of the Bank of Spain in order to facilitate the response of credit entities.

4.1 EFFECTS OF PORTFOLIO BILLS

Portfolio bills refer to those bills or documents negotiated for clients which have been created in order to mobilise the purchase or sale price of goods transactions or the provision of services, issued or endorsed at the entity's request and bills which have been rediscounted for other entities.

Early deposits or quantities paid on account or with a guarantee and deposits on work certifications are included

4.1.1 Portfolio bills of exchange which expire in the reference month

These correspond to the section within heading 4.1.1. Commercial bills and deposits from the balance assets reserved in circular 4/1991 of the Bank of Spain, expiring in the reference month.

Bills or other documents taken that correspond to factoring operations are excluded.

4.1.2 Unpaid bills in portfolio in the reference month

These correspond to the section within heading 4.1.1 Commercial bills and deposits that are returned due to non-payment in the reference month.

4.2 EFFECTS OF BILLS RECEIVED AS MANAGEMENT OF CLIENT PAYMENT

Commercial bills received as management of client payment refer to the bills received (bills from other entities are not included) for payment management:

4.2.1 Bills of exchange received as management for client payment that expire in the reference month

These correspond to the section within heading 5.2. Conditional bills and other stock received as commission payment from M1 state off-balance sheet items from Circular 4/1999 of the Bank of Spain; those that correspond to bills received as management of client payments (excluding bills received from other entities) which expire in the reference month.

4.2.2 Bills of exchange received as payment for management of unpaid clients with expiry in the reference month

They correspond to the section of heading 5.2 conditional bills and other stock received as a payment commission mentioned in the previous paragraph that has been returned due to non-payment in the reference month.

4.3 REFERENCE MONTH

Unpaid portfolio bills and management of client payments that expire in the reference month are accounted for during said month.

Unpaid bills, both in portfolio and as management of client payments are accounted for in the reference month when notification is given for non-payment independently of the date on which the payment was made.

4.4 CLASSIFICATION OF BILLS ACCORDING TO PROVINCES

Unpaid portfolio bills which expire in the reference month and unpaid portfolio bills in the reference month are classified by receiving province. On the other hand, bills received as management of client payments that expire in the reference month and bills received as management of client payments in the reference month are classified according to the receiving provinces that are dealing with their payment.

5 Units investigated

The entities registered in the Official Entities Register with credit from the Bank of Spain. The tabulated information is broken down into the following classification:

Banks

Savings banks

Credit Co-operatives

Banks. This group includes private national banks, public capital national banks and foreign bank branches.

Savings banks. This includes all the savings banks that belong to the Spanish Confederation of Savings Banks (SCSB).

Credit Co-operatives. Credit co-operatives, rural banks, credit banks and professional collegiate banks are grouped in the last paragraph.

6 Collection method

The collection of the information is carried out by email. Each entity surveyed completes a questionnaire with the monthly summary of all their branches located in the country. Information is given on:

– Number or amount of bills in portfolio that expire in the reference month.

– Number and amount of unpaid portfolio bills in the reference month (classified by receiving province)

– Number and amount of bills received as management of client payments that expire in the reference month and

– Number and amount of bills received as management for unpaid clients in the reference month (classified according to receiving provinces that deal with their payment)

These data are issued to the INE as a standardised questionnaire within twenty days after the reference month.

Banking groups as well as co-operative groups may issue just one questionnaire with the grouped information from entities integrated into said group. Similarly, the Spanish Confederation of Savings Banks issues just one questionnaire with all the data from all entities-members of this confederation.

7 Treatment of the information

The questionnaires obtained are subjected to interactive filtering programs in order to correct possible errors.

8 Link coefficients

For the purposes of comparing results published referring to 2002 and previous years, the INE has linked this data with results obtained in the pilot study carried out in 2002.

Therefore link coefficients have been calculated, whose application makes obtaining definitive data for 2002 possible, as well as the revision of the data published prior to this date.

9 Dissemination of the information

Once these collection and treatment phases are finished, the information is tabulated.

Provisional information is disseminated monthly by means of a press release that incorporates a set of tables with the most relevant data.

Data is disseminated by means of Internet and email (to those users who request this). Data with definitive results are disseminated annually. An electronic publication is elaborated with monthly and annual summaries with definitive data for the national, autonomous community and province total.

All the corresponding information for this statistic may be found on the INE web page. http://www.ine.es